

Kelso City Council Agenda

Special Council Meeting, 6:00pm
February 26th, 2013
Council Chambers
203 S. Pacific
Kelso, WA 98626



****Special accommodations for the handicapped and hearing impaired are available by arrangement through the City Clerk's Office at 360-423-0900****

Call to Order:

Council Business:

- **Ordinance, 2nd Reading**
 - Interfund Loan

Work Shop:

- **WCIA**
 - Public Officials Liability Training

Adjournment:

AGENDA SUMMARY SHEET

Business of the City of Kelso

City of Kelso, Washington

SUBJECT TITLE:

Adopt an ordinance authorizing the interfund loan transfers from other City funds to the Arterial Street fund and providing for the repayment of such loans. 2nd reading.

Agenda Item: _____

Dept. of Origin: Finance

For Agenda of: 2/26/13

Cost of Item: _____

City Manager: Stephen Taylor

PRESENTED BY: Brian Butterfield

AGENDA ITEM ATTACHMENTS:

Proposed Ordinance

SUMMARY STATEMENT:

The City by separate action has authorized the settlement of a condemnation lawsuit for the furniture world property in the amount of \$2,500,000. Under the terms of the settlement agreement, the City is to pay these funds into the registry of the court by March 5. This acquisition is necessary for the West Main Realignment Project and the project is funded primarily through federal and state grant funds. The City will be reimbursed for the costs of this acquisition by federal grant funds. The funds are expected to be reimbursed within four (4) weeks of expenditure. As no one fund within the City has the necessary funds to cover the acquisition costs, an interfund loan is required to pool the necessary funds into the Arterial Street fund to make the acquisition. The proposed ordinance transfers funds to the Arterial Street fund as follows: \$700,000 from the General fund, \$800,000 from the G.O. Bond fund, and \$1,000,000 from the Equipment Reserve fund. The City will, upon receipt of the federal reimbursement, repay these loan amounts. During the period of the interfund loan, interest will be charged on the loan amounts.

FINANCIAL SUMMARY:

The ordinance will allow the transfer of \$2,500,000 to the Court to pay for the acquisition costs. These amounts will be reimbursed.

OPTIONS:

Do Nothing—if the City agrees to the settlement and is not able to transfer the funds, it could be in breach of the settlement agreement. Continuing litigation would likely result.

Other financing options like a Line of Credit or other borrowing could be evaluated, but the costs would be higher than the recommended option.

Authorize the temporary interfund loan to accommodate the acquisition.

RECOMMENDED ACTION:

MOVE TO pass an ordinance authorizing the interfund loan transfers from other City funds to the Arterial Street fund and providing for the repayment of such loans

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO AUTHORIZING THE
TRANSFER OF FUNDS FROM OTHER CITY FUNDS TO THE ARTERIAL
STREET FUND AND PROVIDING FOR THE REPAYMENT OF SUCH
LOAN**

WHEREAS, the City finds that certain monies need to be expended from the Arterial Street fund to cover acquisition costs for property necessary for the West Main Realignment Project; and

WHEREAS, the City has been approved for grant funding for these acquisition expenditures and said funds are only available on a reimbursement basis; and

WHEREAS, the City desires to transfer monies from the General Fund, 2011 Limited Tax G.O. Bond Fund, and Equipment Reserve Fund to the Arterial Street Fund to cover the acquisition cost expenditures with the intent of repaying the various funds when said grant funds are received;

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1 The City is authorized to transfer the sum of not more than \$2,500,000 total from each of the following funds in the amounts set forth here to the Arterial Street fund to cover the acquisition expenditures for the West Main Realignment Project:

\$700,000 from the General fund to the Arterial Street fund

\$800,000 from the G.O. Bond fund to the Arterial Street fund

\$1,000,000 from the Equipment Reserve fund to the Arterial Street fund.

SECTION 2 The City agrees to repay each of the funds set forth in Section 1 in full from monies the City will receive from Grant Funds dedicated for the West Main Realignment Project. Interest shall be charged on said loan at the rate set by the Local Government Investment Pool (LGIP).

SECTION 3 This Ordinance shall be in full force and effect 5 days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of February, 2013.

ATTEST/AUTHENTICATION:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: